INFORMATION LETTER

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Ceiling Price Adjustments On Sales to Government

The Office of Price Stabilization on April 3 issued General Overriding Regulation No. 2 aimed at easing certain pricing distortions which may have resulted from the application of the General Ceiling Price Regulation to sales to government agencies. The new regulation, which will become effective on April 9, authorizes government suppliers to redetermine their price ceilings on commodities sold to the government to bring them in line with current ceilings for the same commodities when sold to other purchasers. The new ceilings on government sales must reflect the supplier's customary discounts, allowances, and differentials applied on sales to the government.

The General Ceiling Price Regulation requires that ceilings be determined on the basis of deliveries during the base period *to each individual class of purchaser*. In some cases, this requirement has resulted in ceiling prices for commodities sold to the government which are out of line with ceilings in effect on sales to other classes of purchasers. This is particularly true of suppliers who have been in the practice of entering into long-term contracts with the government, since the contract pursuant to which the base period deliveries were made may have been entered into long prior to the base period.

The new regulation permits any government supplier to determine his ceiling price for a commodity sold to the government by using as a base the ceiling price of the commodity when sold to a different class of purchaser and by adjusting such price to reflect the supplier's customary price differential on government sales as determined by reference to sales made during the first six months of 1950.

Since canners ordinarily do not enter into long-term contracts with the government, and, in most cases, will find their present ceiling prices on government sales not substantially out of line with their ceilings on sales to other classes of purchasers, the alternate method of determining price ceilings permitted by this regulation may be useful to some canners.

Can Order, M-25, Amended

An amendment to the can order, M-25, providing for second quarter packing operations, was issued April 6 by the National Production Authority. Major provisions of the new amendment are:

1. Elimination of the restriction on repacking from other tin containers.

2. Establishment of a flexible can quota system, allowing canners to use their first and second quarter quotas at any time during 1951.

3. Raised quotas for certain canned meats; and reduced quotas for poultry, nonseasonal products, beer, and pet foods.

M-25, as amended April 6, also sets up a system under which can manufacturers unable to fill all orders are required to schedule production operations to deliver cans according to preference ratings, which are established by the amendment.

The can order, as amended, was reproduced by the N.C.A. and copies are being mailed to members' offices and plants.

NPA and Excise Tax Cuts

The House Committee on Ways and Means on April 3 called on the National Production Authority to refrain from ordering any reductions in the output of items which are subject to federal excise taxes until the Treasury has been consulted. The Committee adopted a resolution providing:

"Be it resolved, that in order to protect the revenue it is the sense of the House Ways and Means Committee that the National Production Authority should not, without consultation with the Secretary of the Treasury, issue any order curtailing the production or distribution of products upon which federal excise taxes are levied. . . ."

Copies of the resolution were transmitted to heads of the NPA, Office of Defense Mobilization, Office of Defense Production, Commerce Department, Agriculture Department, and Treasury Department.

The resolution would appear to apply not only to products using tin but also to rubber tires, automobiles, radio and television receivers, and many home appliances.

Glass Container Order, M-51

An order prohibiting new designs in glass containers was issued March 31 by the National Production Authority.

Means for establishing simplified styles of glass containers, if such action becomes necessary to achieve additional production, is also provided in the order, M-51.

The order also states that "NPA may from time to time establish simplified designs for glass containers by incorporating as Schedule 1 of this order drawings illustrating such containers and providing specifications for each such simplified design."

Should such end-use restrictions be put in effect, through the later addition of a Schedule 1 to M-51, a conversion period will be permitted, the order states.

"Order M-51 is intended to avoid wasting the industry's production capacity," NPA said, "because of the heavy demand for glass containers arising from limitations placed on use of tin in packaging containers."

STATISTICS

1950 Pack of Canned Carrots

The 1950 pack of canned carrots is reported by the N.C.A. Division of Statistics as follows:

1950 Pack of Canned Carrots

	1949	1950
	(*actual cases*)	
New York	274,369	295,338
Maryland	58,630	100,538
Michigan	110,628	93,880
Wisconsin	451,345	504,418
Utah	30,261	15,391
Oregon	283,110	236,509
Washington	94,614	87,200
Other states	360,591	416,545
U. S. Total	1,663,591	1,704,614

By can size, the 1950 pack included 454,364 cases of 24/2's, 151,979 cases of 48/2Z, 11,964 cases of 48/1P, 295,836 cases of 24/303, 500 cases of 24/2½, 760,390 cases of 6/10, and 29,581 cases of miscellaneous tin and glass.

1950 Pack of Canned Beets

The 1950 pack of canned beets is reported by the N.C.A. Division of Statistics as follows:

1950 Pack of Canned Beets

	1949	1950
	(*actual cases*)	
New York	2,214,601	1,843,581
Maryland	126,005	266,650
New Jersey	(a)	(a)
Indiana	(a)	(a)
Michigan	344,812	339,903
Wisconsin	3,306,248	3,574,220
Utah	30,752	55,473
Oregon-Washington	1,024,171	1,372,703
Other States	875,359	1,032,781
U. S. Total	7,922,038	8,483,371

(a) Included in Other states. By can size, the 1950 pack included 3,357,059 cases of 24/2's, 485,269 cases of 48/2S, 232,362 cases of 48/1P, 1,595,150 cases of 24/303, 176,693 cases of 24/2½, 1,576,601 cases of 6/10, and 1,058,237 cases of miscellaneous tin and glass.

Stocks and Shipments Of Canned Vegetables

Reports on canners' stocks and shipments of canned asparagus, beets, and carrots have been compiled by the N.C.A. Division of Statistics, and detailed reports have been mailed to all canners packing these products.

Canned Asparagus Stocks and Shipments

	1949-50	1950-51
	(*actual cases*)	
Carryover, March 1	157,403	308,850
Pack	4,489,890	4,650,692
Total supply	4,647,293	4,959,542
Stocks, March 1	308,850	505,879
Shipments, Jan. 1 to Mar. 1	416,989	551,234
Shipments, Mar. 1 to Mar. 1	4,338,443	4,453,663

Canned Beet Stocks and Shipments

	1949-50	1950-51
	(*actual cases*)	
Carryover, July 1	84,712	839,736
Pack	7,922,938	8,483,371
Total supply	7,987,650	9,313,107
Stocks, Mar. 1	2,609,768	3,699,918
Shipments, July 1 to Mar. 1	5,377,882	5,613,189

Canned Carrot Stocks and Shipments

	1949-50	1950-51
	(*actual cases*)	
Carryover, July 1	718,573	528,533
Pack	1,663,591	1,704,614
Total supply	2,382,164	2,233,147
Stocks, Mar. 1	1,055,258	947,183
Shipments, July 1 to Mar. 1	1,326,906	1,285,964

Canned Meat Report

The quantity of meat canned and meat products processed under federal inspection during the four-week period January 28-February 24 is reported by the Bureau of Animal Industry as follows:

Canned Meat and Meat Products Processed Under Federal Inspection

Jan. 28-Feb. 24, 1951 *

	3 lbs. & over	Under 3 lbs.	Total
	(*in thousand pounds*)		
Luncheon meat	17,460	10,571	28,031
Canned hams	17,956	1,460	19,416
Corned beef hash	519	7,385	7,904
Chili con carne	1,722	6,881	8,603
Vienna sausage	139	4,784	4,923
Frankfurters and wieners in brine	1	3,841	3,842
Deviled ham	.....	592	592
Other potted and deviled meat products	36	3,175	3,211
Tamales	115	2,289	2,404
Sliced, dried beef	15	413	428
Liver products	.....	195	195
Meat stew	31	7,649	7,680
Spaghetti meat products	136	6,336	6,492
Tongue (except pickled)	459	381	840
Vinegar pickled products	770	1,669	2,439
Bulk sausage	.....	1,930	1,930
Hamburger	592	3,280	3,872
Soups	485	44,522	44,937
Sausage in oil	261	118	379
Tripe	1	706	707
Brains	.....	326	326
Bacon	148	1,718	1,866
All other products 20% or more meat	331	10,798	11,129
All other products less than 20% meat (except soup)	135	11,861	11,996
Total all products	41,294	132,898	174,192

* Columns do not add to total shown in all cases since rounded figures are used.

Information Letter Binders

A supply of binders for the INFORMATION LETTER has been obtained by the N.C.A. Members may receive copies from the N.C.A. for $1.55 each, postage prepaid.

Farm Income

Farmers in the United States realized 8 percent less net income from farming operations in 1950 than in 1949, according to a report by the Bureau of Agricultural Economics. Preliminary estimates indicate that their total realized net income in 1950 was $13.0 billion as compared with $14.1 billion in 1949.

This decline, following even larger drops in both 1948 and 1949, brought the realized net income of farm operators down 27 percent from the 1947 record high of $17.8 billion. In terms of purchasing power, farmers' net income in 1950 was down 30 percent from 1947.

Cash receipts from farm marketings were reported by BAE at $27.9 billion, down 1 percent from the year before. The rise in prices of most farm products during the second half of 1950 was not quite enough to offset the combined effect of lower prices earlier in the year and an over-all reduction of 6 percent in the volume of products sold. Total gross income, estimated at $32.1 billion, was slightly smaller than in 1949.

However, higher costs of production, amounting to 6 percent more than in 1949 and 3 percent above the previous record high of 1948, were the principal reason for the 1950 drop in realized net income, BAE reported.

Farm wages of laborers living on farms were about $2 billion in 1950, or 5 percent less than in 1949, BAE said.

Among the crops with smaller cash receipts in 1950 than in 1949 were potatoes, down 30 percent; dry edible beans, 25 percent; lemons, 20 percent; and sweet potatoes, 10 percent.

Among the crops which brought increased cash receipts were pears, 40 percent; soybeans, peaches, and strawberries, 30 percent; grapefruit, 25 percent; oranges, close to 20 percent; and apples, 10 to 15 percent.

STANDARDS

Canned Mushroom Standards

The Federal Security Administrator has extended from March 26 to April 16 the time for filing exceptions to the proposal to amend the definition and standard of identity and to adopt a standard of fill of container for canned mushrooms. The extension of time was granted at the request of the mushroom industry.

LABOR

Citrus Pulp and Waste Industry

A hearing to determine whether the manufacture of citrus molasses and the chemical processing of citrus peel in Florida and Texas should be considered activities of a seasonal nature within the meaning of Section 7 (b) (3) of the Fair Labor Standards Act is to be held in the Orange Court Hotel, 650 North Orange Ave., Orlando, Fla., on May 2, at 10 a. m. Any interested person may appear at the hearing to offer evidence, provided such person has filed with the Administrator before April 24 a notice of intention to appear. Written statements in lieu of personal appearance may be mailed to the Administrator at any time prior to the date of hearing.

The hearing was made necessary when the Administrator received notices of objection to his preliminary determination that the present exemption for the industry engaged in the dehydration of citrus pulp and waste in Florida and Texas should be expanded to include the manufacture of citrus molasses and the chemical processing of citrus peel (see INFORMATION LETTER of January 27, page 25).

Announcement of the hearing was made in the *Federal Register* for April 4.

DEFENSE

Gus Geissler Succeeds Trigg As Administrator of PMA

Ralph S. Trigg was transferred from his position as Administrator of the Production and Marketing Administration and Gus F. Geissler was named by Secretary Brannan to replace him, effective with the close of business March 30.

As PMA Administrator, Mr. Geissler has responsibility for planning and carrying out, under Secretary Brannan's general direction and supervision, the functions under the Defense Production Act with respect to food, farm equipment, and fertilizer which had been delegated to the Secretary of Agriculture (see INFORMATION LETTER of September 23, 1950, page 281).

Mr. Geissler had been manager of the Federal Crop Insurance Board since April, 1946. Harold K. Hill, who has served as Assistant Director of the PMA Grain Branch, as a director of the Commodity Credit Corporation, and since February, 1950, as Assistant PMA Administrator for Production, was appointed Deputy Administrator of PMA.

Mr. Trigg was transferred to the position of Special Assistant to the Secretary for Commodity Credit Corporation affairs. Frank K. Woolley, Deputy Administrator under Mr. Trigg, was transferred to a position bearing the same title as Mr. Trigg's new assignment.

On April 4, Secretary Brannan announced that John I. Thompson, Assistant Administrator of PMA, had resigned to enter private employment.

MEETINGS

N.C.A. at Wisconsin Meeting

James M. Reed and N. H. Sanborn of the N.C.A. Washington Research Laboratory presented papers at the Food Technology Conference arranged by the Wisconsin Canners Association in Madison April 6.

Mr. Reed spoke on engineering considerations in relation to spoilage control in canning factories. Using slides, he summarized results obtained during N.C.A. bacteriological field surveys.

Mr. Sanborn spoke on viner station sanitation and gave a progress report on waste disposal studies.

Forthcoming Meetings

April 11—Tidewater Canners Association of Virginia, Annual Meeting, The Tides Inn, Irvington

April 17-20—American Management Association, 20th National Packaging Exposition, Atlantic City, N. J.

April 19—Indiana Canners Association, Spring Meeting, Claypool Hotel, Indianapolis

April 22-25—United States Wholesale Grocers' Association, Convention and Food Distribution Exposition, Miami Beach, Fla.

May 11—Ozark Canners Association, Spring Meeting, Severs Hotel, Muskogee, Okla.

June 3-4—Michigan Canners Association, Spring Meeting, Park Place Hotel, Traverse City

June 12-13—Maine Canners Association, Summer Meeting, Lakewood

June 27-29—National Pickle Packers Association, Midyear Meeting, Sheraton Hotel, Chicago

October 24-26—National Pickle Packers Association, Annual Meeting, Sheraton Hotel, Chicago

November 15-16—Indiana Canners Association, Annual Convention, French Lick Springs Hotel, French Lick Springs

November 19-20—Pennsylvania Canners Association, Annual Convention, Penn Harris Hotel, Harrisburg

Maine Canners Association

The summer meeting of the Maine Canners Association will be held June 12-13 at Lakewood, it is announced by F. Webster Browne, secretary-treasurer. The meeting will be held Tuesday and Wednesday, instead of on Monday and Tuesday as in past years.

PUBLICITY

Better Homes and Gardens

"New Pies With Double Flavors" is the title of an article in the April issue of the *Better Homes and Gardens* magazine. It says, "If you're looking for an extra-special treat, try one of these two-fruit pies. The fillings are delicious new combinations. Each calls for fruits you can buy at your grocer's now—fresh, frozen or canned."

Three new pie recipes are given and each is shown in a black-and-white photograph. Canned fruits featured are apricots, pineapple, sliced peaches and grapes.

Parade Magazine

"Tuna Roll-Up" was the food feature of the April 1 issue of *Parade*, the Sunday magazine section of many leading newspapers.

Beth Merriman, food editor, began the article, "Tuna is plentiful and a little goes a long way in making a hearty main dish which will serve six."

The supper menu begins with tomato soup, followed by tossed green salad, Tuna Roll-Up (served with a pimiento sauce), and a dessert of peach tapioca cream.

The caption under a large photograph of the finished product said, "Beautifully glazed, Tuna Roll-Up with savory sauce is a tempting supper dish." Three small photographs showed the popular step-by-step preparation of the recipe.

Canned Foods Shopper

Information for the Canned Foods Shopper, an N.C.A. publication, is listed under the heading "Things To Write For" in the April issue of *Changing Times*, published by the Kiplinger agency.

PERSONNEL

Laucks Joins Summers Firm

Edward J. Laucks, who handled the sales promotion campaign sponsored by the Pennsylvania Canners Association, has become sales manager of Chas. G. Summers, Jr., Inc., of New Freedom, Pa.

Gulf State Vegetable Canners

The Louisiana-Mississippi-Alabama Vegetable Processors Association elected the following officers at the association's annual meeting:

President—Julian McPhillips, King Pharr Canning Operations, Inc., Cullman, Ala.; vice president—B. F. Trappey, B. F. Trappey's Sons, Inc., New Iberia, La.; secretary-treasurer—J. F. Bowman, Southern Shell Fish Co., Harvey, La.

RESEARCH

Precooling Research May Lead To Improved Fruit Handling

Fruit precooling research conducted by U. S. Department of Agriculture engineers working at Wenatchee, Wash., may lead to improved handling and storage for this important industry of the Pacific Northwest, according to USDA.

The engineers have found that they can cool fruit in a high-velocity, cold-air tunnel many times more rapidly than it is normally cooled if placed directly into cold storage. Rapid cooling is important because it considerably lengthens the time that fruit can be held safely in cold storage, and it helps to prevent the growth of rot-producing diseases. Some California grape growers are already making use of previous USDA high-velocity, air-cooling research conducted by scientists in the Bureau of Plant Industry, Soils, and Agricultural Engineering for precooling grapes prior to shipment to market.

The engineers' experimental precooling tunnel was arranged so that the air could be directed from the cold storage room through the tunnel at high velocities before returning to the air cooling unit. In one of the investigations, G. F. Sainsbury, engineer in charge of the tests, filled the tunnel with boxes of fruit on pallets and passed the cold air over the fruit at velocities ranging from 300 to 800 feet per minute. Cooling was accomplished 1½ to 6 times faster than in normal cold storage cooling. In another precooling arrangement, cold air was directed down into unlidded boxes of fruit at velocities as high as 2,700 feet per minute, resulting in cooling 9 to 40 times faster than cold storage cooling. In either arrangement the greater the air velocity, the faster the cooling.

Both methods hold promise of commercial application. Each results in more uniform cooling than room cooling, and each offers more efficient use of the cold air, as all of the air is circulated to contact the warm fruit. In normal room cooling, only a small percentage of the air is passed through a particular day's receipt of warm fruit, with the result that during early cooling, the air doing the actual cooling is much warmer than the average room air.

Commercial application of the results of this research with apples, apricots, and cherries, Mr. Sainsbury says, probably depends on solution of the engineering problem of designing an acceptable precooling tunnel—one that requires a minimum of space, investment and handling labor. It could be done by setting up a continuous conveyor-type tunnel where the pallets are set on rolls at one end of the tunnel and removed at the other end and placed into cold storage.

Another practical setup suggested by Mr. Sainsbury would be a batch-type tunnel in which a day's receipt of fruit could be placed with fork trucks and allowed to remain there overnight. It would then be removed into cold storage early the next morning, before that day's fruit begins to arrive.

Citrus Research Program

The Citrus Advisory Committee, operating under authority of the Research and Marketing Act, recommends that the present level of financial support for agricultural research be maintained. The committee met in Washington March 28-30.

The committee agreed that equal attention should be given to production, utilization, and marketing problems of the citrus industry and in each of these broad categories indicated certain specific lines of work which should be continued or expanded to the fullest possible extent.

Among members attending the meeting were W. K. McCracken, Treesweet Products Co., Santa Ana, Calif.; Raymond D. Robinson, Dr. P. Phillips Companies, Orlando, Fla.; and L. S. Hamme, Texsun Citrus Exchange, Weslaco, Tex.

CONGRESS

Farm Labor Supply Bill

The Senate Committee on Agriculture on April 4 voted to report, with amendments, the Ellender farm labor bill, S. 984, to implement the U. S.-Mexican agreement with respect to farm labor.

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